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FINANCIAL OPERATIONS OF LABOR UNIONS IN CHINA

[Comment: This report presents information from the Chinese monograph Kung-hui Ts'ai-wu Kung-tso (Financial Operations of Labor Unions), edited by the Finance Office of the Shanghai Federation of Labor, and published in Shanghai, 1951, by the Lao-tung Ch'u-pan-she.

Included are descriptions of the financial conditions of the trade unions of Communist China during late 1950, and the steps taken by the All-China Federation of Labor to correct the abuses and improve the financial management of unions through a system of centralized controls.

Section I is a summary of an editorial of the Peiping Kung-jen Jih-pao of January 1951 describing the chaotic conditions of trade union finances and outlining proposals for their correction. Subsequent sections are summaries of decisions adopted by the "Conference on Trade Union Financial Affairs" on 31 October 1950. This conference was sponsored by the All-China Federation of Labor, and its decisions were subsequently approved by the Standing Committee of the federation at its fifth session. Section II summarizes the steps taken by the federation to strengthen the control of trade-union finances. Section III outlines the organization and work of the finance department of trade unions. Section IV summarizes the regulations governing the drafting and implementation of trade-union budgets. Section V summarizes the regulations governing the control of cash funds through a system of fiscal depositories.]

I. MISMANAGEMENT OF TRADE UNION FUNDS

During November and December 1950, the All-China Federation of Labor convened two successive conferences to discuss means of improving and centralizing trade-union financial operations. These conferences approved decisions, regulations, and methods of procedure to govern the financial operations of trade unions.

The various industrial trade unions, such as railway, textile, transportation, electrical, coal mining, and other unions, also held national conferences on trade-union finances.

There are two reasons why special emphasis has been given to trade-union finances. First, the finance department is one of the major departments in any centralized trade-union organization and yet on all levels it is the weakest unit in the trade unions. Secondly, the financial operations of trade unions have not been satisfactorily conducted. As a result of the inefficient operation of trade-union finances, trade unions have been alienated from the working masses.

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Since trade unions are mass organizations of the working class, we must be cognizant of the importance of putting the financial affairs of the trade unions on an orderly basis.

Only from understanding the following existing conditions of trade-union finances can we take steps to change the present unsatisfactory situation.

A. Existing Conditions in the Financial Affairs of Unions

Trade unions allow their funds to remain idle and do not use them for the benefit of workers. With the exception of a small number of unions, such as the Shop Clerks Union, Pedicab Union, and Rural Educational Workers Union, a majority of the trade unions have money. For instance, the operating and educational funds of the Railway Workers Union amount to 13 billion yuan. The Tientsin Transport Workers Union has on deposit with banks over 2.2 billion yuan in operating, educational, and labor-insurance funds. Other textile, coal-mining, and arsenal workers unions are in the same financial position. Although these trade unions have large sums of money, they have not earnestly used these funds for projects that would benefit their members.

Financial operations in trade unions are anarchical and disorderly. For example, the wages of cadres in the Shanghai Transport Workers Union are arbitrarily raised without the approval of the chairman or secretary of the union. The chief of the finance office of the union can approve vouchers up to 100,000 yuan; the secretary, up to 300,000 yuan; and the chairman, an unlimited sum.

Some trade unions act as though they had never heard of or had forgotten the decision of the All-China Federation of Labor regarding the administration of union operating and educational funds. In May 1950, the federation circulated a note regarding the reorganization of labor union finances. In spite of the fact that this was an urgent notice calling for prompt action by the unions, only 27 percent of the unions have reported on the progress they have made in reorganizing their finances.

Unions do not have a strict financial system; the receiving, spending, and safeguarding of operating funds are disorderly; and on top of this, the ideology and methods of the cadres have resulted in serious financial losses, embezzlement, waste, corruption, and other deplorable conditions. The T'ang-shan Chao-ko Chuang Labor Union was cheated of 15.4 million yuan. Chang Chen-shan of the Tientsin Longshoremen's Union No 5 misappropriated over 6 million yuan. Chao Chin-lung, an officer of the educational committee of the Shanghai headquarters of the Coal Miners Union embezzled 14 million yuan. Chen Yu-ch'ing, an officer of the labor-insurance section of the same union, embezzled 8 million yuan which was originally allocated for the purchase and distribution of rice to the workers.

During the reorganization of the finances of the Tientsin trade unions, it was discovered that there were 74 persons in the Pedicab Labor Union who were guilty of corruption.

Shanghai Cotton Mill No 6 wasted 6 million yuan for the celebration of a national holiday. The most serious single incident of corruption was the embezzlement of 153 million yuan from the motion-picture fund of the Education and Culture Committee of the All-China Federation of Labor.

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In financial matters, the leadership organs and the leadership cadres of subordinate trade unions do not carry out their responsibilities to the leadership organs of the higher-level trade unions. Moreover, they do not report to or ask for instructions from higher-level trade unions regarding their budget, income and expenditures, or their financial statements. At the same time, higher-level trade unions are equally irresponsible in regard to their subordinate unions. Many trade-union organizations do not report to their subordinate unions their receipts to educational and other funds after collecting the money, nor do they publicly post their financial statements. Many of the auditing committees of the unions exist in name only, and do not carry out their responsibilities.

Many long-established unions have not as yet set up a special organ for the administration of their financial affairs; neither have they trained cadres to handle financial matters. Over half of the unions have left this important work to the secretariat, administrative office, or the general affairs section of the union to carry on concurrently with their regular work.

The broad masses of trade-union members observe that the various leadership organs and cadres of their unions do not deposit in the banks membership fees, management contributions to the educational fund, or contributions to the labor-insurance funds. They notice that trade-union officials do not put these funds to proper use, but spend them as they wish, operate their finances without any system, submit no financial report to the members, and even spend their union funds for feasting and drinking. The members are aware of corruption and even embezzlement. When they see all these questionable practices, they feel that the unions only want money from the members, do not work for the members, and are no better than those that existed under the reactionary rule of the Kuomintang. Consequently, some members refuse to pay their membership dues in order to get out of the unions. Some union members even beat up the cadres and tear down their union signs. Because of the unsatisfactory handling of trade-union finances, there have been grave consequences and unnecessary political reverses.

B. Reasons for the Anarchy in Trade-Union Finances

Trade-union cadres do not realize the importance of trade-union financial operations and their relationship to the masses; they do not know that welfare work for the membership depends on efficient financial operations; and they do not know that the members are concerned about the financial operations of the union.

Over half of the trade-union cadres are veteran cadres who have worked under the "kung-chi-chi" [a system under which cadres are provided with their daily necessities instead of regular wages]. As a result of their years of working under such a system, they do not know the value of money, since all their personal needs are provided for. Consequently, many trade-union cadres on the municipal and higher levels do not see the importance of financial work in the trade unions.

Many of the cadres fail to see the financial operations of a union from the viewpoint of the members. They do not feel a sense of responsibility to the masses. This failure is reflected in their neglect to report the income and expenditures of the union to the members. A large number of trade-union organs on municipal, hsien, and higher levels do not report the financial condition of their unions to the members. At the National Conference on Trade Union Finances called by the Transport Workers Union and the Electrical Workers Union, it was reported that only 2 out of 75 constituent municipal or higher-level unions reported their financial affairs to their members.

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Cadres also make the mistake of not showing confidence in their members. They think that the members know little, if anything, about financial operations, and consequently they do not allow them to exercise their right of managing and supervising the finances of the union.

Finally, one of the major reasons why trade union finances are so poorly managed is that the unions have to much money. Since the unions do not have any pressing problems of obtaining money, the cadres do not feel the need of managing their finances efficiently. Whenever they run short of money, they simply ask the government for more subsidies. Under these circumstances, they do not feel the need of having some kind of financial system to manage and conserve their funds.

C. How to Reorganize and Improve Trade Union Financial Operations

Leading cadres, especially higher-level cadres, should understand the importance of financial operations in the relations between the union and its members. Cadres should not regard financial work as a routine task, but should feel that they are accountable to their superiors and subordinates for the way they handle the union's funds.

Unions should establish a strict financial system which must be strictly enforced and operated for the benefit of the public.

Trade unions in all localities must rally their members to install and carry out a system of financial investigation and supervision. This is the most powerful deterrent to corruption and waste.

Concurrent with the establishment of a financial system for trade unions on all levels, a large group of financial cadres should be trained. Otherwise, all good resolutions and systems will be ineffective.

Responsible comrades in trade unions of all levels must submit financial reports to their higher-level organizations and to their subordinate organizations. The financial affairs of the trade unions should be one of the principal items on the agenda of membership meetings, delegates conferences, and congresses.

The regulations governing financial operations, as approved by the standing committee of the All-China Federation of Labor at the National Conference on Trade Union Financial Affairs, should be strictly enforced.

II. DECISION OF THE ALL-CHINA FEDERATION OF LABOR ON STRENGTHENING CONTROL OF TRADE-UNION FINANCES

Trade unions are mass organizations of the working class, and in the long run they cannot depend on the government for continuous subsidies. They should gradually become independent and self-supporting. The key to independence and self-sufficiency in financial matters is the unified management of union finances and the setting up of a financial system that incorporates the following: (1) a fiscal depository system, (2) a budget, (3) fixed classification of expense accounts, and (4) published financial statements.

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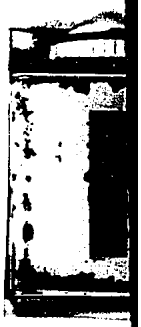

The inventorying of trade-union assets has disclosed corruption, waste, and confusion in the receipts and expenditures of trade-union funds. These manifestations of inefficiency in the trade unions have seriously affected the relations between the masses and the unions. Unless sufficient attention is paid to the proper handling of trade-union finances, some kind of a system to control income and expenditures is established, and the masses are permitted to supervise the finances of trade unions, we will alienate the masses from the trade unions.

At present, workers in the major industries and in all the large- and medium-size cities are basically organized, and various national industrial trade unions have been organized. These prerequisites for centralized control of trade-union funds have been established.

However, some industrial trade unions are concentrated in certain areas, while others are widely dispersed. The development and organization of the unions have not been uniform, and the basic qualifications for the operation of financial affairs do not exist in all unions. Thus, the centralizing of the control of trade-union finances on a national basis faces many difficulties. All local labor unions and industrial trade unions must therefore decide for themselves the best procedures for the centralized management and control of their funds, and those most suitable to conditions in their particular locality. At present, overcentralization of trade-union finances is inappropriate.

So that trade-union members might better understand the financial conditions of their union and take part in supervising their finances, we must take 70 percent or more of their membership fees and use this money in the basic trade unions. We must also turn over that portion of management's contribution to the union (which is 0.5 percent of the payroll) to the municipal industrial trade-union organization or the municipal trade-union federation to handle; this is the first step toward centralizing trade-union finances on a national basis. Therefore, the following decisions have been made:

1. Beginning in 1951, the funds of basic trade-union organizations in all the industries of China, of the trade unions in the various areas, and of the municipal-level industrial trade unions will be centrally controlled by their respective national industrial trade-union committees or by the local trade unions in the following manner:

a. Any industrial trade-union organization which has been established on a nationwide scale and which is relatively strong and well-established, such as the railway, telecommunications, textile, transport, arsenal, maritime, coal-mining (only in North and East China and the Northeast, and other industrial unions will send 10 percent of membership fees collected by their basic trade unions to the All-China Federation of Labor, and retain 20 percent of the membership fees to aid impoverished members of the basic trade unions. The remaining 70 percent of the membership fees and the 0.5 percent [of the 2 percent] contribution from management to the union will be centrally controlled by the national committee of the respective industrial trade union. Various levels of industrial trade unions will draft and submit their budgets to the trade-union organization on the next higher level for examination and approval. After their budgets have been approved, the higher-level organization will remit such funds as required by the budget to the lower-level union, which will in turn submit financial statements at a specified time to the higher-level trade-union organization for public posting.

b. The funds of any industrial trade union and its subordinate organizations which are not financially independent (except for those unions whose national committees must rely on the subsidies of the All-China Federation of Labor for their operation) must be centrally controlled by the local trade-union organization in the following manner:

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(1) All basic trade unions must transmit 10 percent of their membership fees to the All-China Federation of Labor, retain 70 percent, and transfer the remaining 20 percent, together with the 0.5 percent [of the 2 percent contribution made by management], to the municipal-level industrial trade-union organization of the municipal trade-union federation.

(2) Of the 70 percent retained by the basic trade-union organizations, 20 percent should be set aside as a fund to subsidize the poor members, and 50 percent should be earmarked for personnel, equipment, special expenses, and other operational costs. A financial statement must be submitted by the basic trade union to the municipal industrial union committee or the municipal federation for examination and posting every quarter.

(3) Municipal industrial trade-union committees or municipal trade-union federations must set aside the 20 percent of the membership fee received from the basic trade unions as subsidies for those basic trade unions which do not have adequate funds. A report of the income and expenditures of this fund must be submitted by the municipal industrial trade-union committee or municipal trade-union federation to their higher-level organizations for examination and posting every quarter.

(4) The 0.5 percent of the 2 percent contributed by management to the basic trade union will be earmarked as funds for organizational expenses by the municipal industrial trade-union committee.

Any municipal industrial trade-union committee that has been firmly established will control this 0.5 percent fund. However, these unions should periodically transmit part of these funds to the local trade-union federation as relief funds; but the amount should not exceed 30 percent of this fund. Any municipal-level industrial trade union which has not been firmly established must remit the entire 0.5 percent fund to the local trade-union federation for their centralized control and for the use of the municipal-level industrial trade-union committee. Adoption of either aforementioned procedure is to be determined by the local municipal trade-union federation and the municipal industrial trade-union committee in accordance with existing conditions and must be approved by the higher-level trade-union organizations.

(5) The expenses of the municipal trade-union federation cannot be paid out of the 20 percent membership fees which it receives from the basic trade unions or the 0.5 percent of management's contribution to the basic trade unions.

c. Funds of trade-union organizations below the hsien level will be centrally controlled by the hsien trade-union federation. After the basic trade unions have remitted 10 percent of their membership fees to the All-China Federation of Labor, they are to retain 70 percent of the membership fees, and remit the remaining 20 percent together with the 0.5 percent of management's 2 percent contribution to the hsien trade-union federation to handle. These funds will in turn be used to support labor unions on the chen level. If these funds are to be used by the hsien trade-union federation to establish or coordinate basic trade unions or to strengthen small basic trade unions, an annual budget for such expenditures and a monthly financial statement of such expenditures should be submitted to the provincial trade-union federation for auditing and posting.

2. Local trade-union organizations above the municipal and hsien levels, and those industrial trade unions on a provincial or ch'u level or higher which are not financially independent will have their unified budgets drafted by the All-China Federation of Labor. The following is the procedure for requesting government subsidies:

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a. The aforementioned trade unions of various levels must draft and circulate four copies of their annual budgets for examination by the various levels of the organization 2 months before the beginning of the ensuing fiscal year. This budget must be accompanied by a detailed letter of explanation and work plans. Following the examination of this budget, a final budget is prepared and submitted to the All-China Federation of Labor for auditing and approval.

b. After the budget has been approved and returned, work plans and budget allocation charts for each month must be prepared and submitted to the higher-level trade-union organization for examination and approval.

c. When the All-China Federation of Labor receives the monthly work plans and the corresponding monthly budget allocation charts from the secondary-level budgetary units covering the units' own operations and those of its subordinates, the federation will appropriate and transmit through its fiscal depository system the budget funds to the secondary budgetary units (secondary budgetary units include the trade-union federation of the major administrative areas and of municipalities under the jurisdiction of the central government, and the National Committees of the industrial trade unions).

d. At the end of each month, trade-union organizations above the municipal and hsien levels must submit a monthly financial report through the various levels of their organizations to the secondary budgetary unit.

e. Aside from submitting the monthly report on the price of rice in their particular areas, the secondary budgetary units must also submit a quarterly consolidated report on the operation of its budget to the All-China Federation of Labor for auditing as well as a semiannual and annual financial statement to the All-China Federation of Labor for auditing and reporting.

f. Expenditures of trade unions on all levels must comply strictly with the budget. No expenditure is permitted unless it is provided for in the budget. Monthly, quarterly, semiannual, and annual reports must be strictly audited by the financial investigation committee. Aside from submitting financial reports to each higher-level trade union through channels, reports must be given quarterly to the workers of the local area. The All-China Federation of Labor must publish a consolidated annual financial statement and submit it to the Ministry of Finance for examination.

3. The expenditures of trade-union funds must comply strictly with the budget. To facilitate the carrying out of "mass" supervision of finances, trade unions on each level must periodically submit a financial report to the representatives' conference of the members or to a mass meeting of the members. They must either publish a financial statement in the newspaper or post one on the bulletin board at trade-union headquarters. Every trade-union member has the right to inspect the accounts of the union and to point out any unjustified expenditures. At the same time, the leadership organs of trade-union organizations on each level should regularly assign cadres to examine the income and expenditure accounts of the lower-level trade unions under its jurisdiction.

4. Although an industrial trade union may be carrying on a unified system of financial control over receipts and expenditures, and even though its financial operations are under the centralized control of their national committee, the local federation of trade unions, in the area in which the industrial trade union is located must regularly assist with the supervision and inspection of the routine financial work of the industrial trade union

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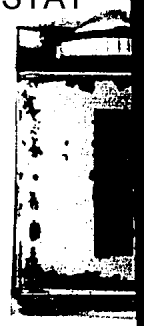

and see to it that it is operating according to the prescribed rules of the higher-level industrial trade union. The higher-level industrial trade unions also have the responsibility of supervising and inspecting the financial operations of their lower-level unions.

III. DECISION OF THE ALL-CHINA FEDERATION REGARDING ORGANIZATION AND WORK OF TRADE-UNION FINANCE DEPARTMENTS

A. Organization and Leadership

To strengthen the financial work of trade-union organizations of all levels so that the trade unions will be financially self-supporting, each trade-union organization should set up a finance department under the direct leadership of the organization's standing committee.

Trade-union organizations on all levels should, depending on the complexity or simplicity of their financial operations, organize a finance department, office, section, or committee. Small sections and units can be set up under the departments and offices. Basic-level trade unions must set up a finance committee. While setting up the financial structure of the union and selecting a staff to operate it, the basic trade-union organization must report its organization plans to the higher-level trade-union organization for approval and obtain the concurrence of the finance department of its own level.

Trade unions on all levels, when appointing or reassigning important finance officers, must obtain the approval of a higher-level trade-union organization.

B. Duties and Responsibilities

The finance departments of trade unions on all levels are responsible for the centralized control of all union funds (such as membership fees, operating funds contributed by the management of either private or public enterprises, government subsidies, etc.) and assets of the union. Trade unions on all levels must follow the Labor Insurance Regulation in the control of labor-insurance funds.

Membership fees collected by chiefs of trade-union cells should be turned over directly to the finance officer. Trade unions of every level must use the membership fees according to the standards stipulated for their collection and remittance, and must periodically clear these accounts through channels.

The finance departments of trade unions on all levels are responsible for compiling an estimated budget, final budget, a financial account on the operation of the budget, and other reports. The department must also keep accounts, serve as a custodian of the union's cash, and handle other matters related to the union's routine financial operations.

Such departments of each trade union must also submit a monthly financial report to the standing committee of its union, and at fixed dates must publish its accounts. The finance department of a basic-level trade union must publish a monthly financial statement.

Moreover, finance departments are responsible for the periodic checking and spot checking of the budget financial statements and of records of lower-level trade unions, and must know the conditions of financial work so as to assure the correct operation of the financial system.

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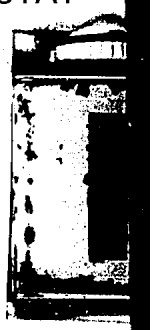

These departments are also responsible for supervising purchases, examining cash receipts, supervising audits, and inspecting the property of their unions.

The finance departments have the right to submit proposals relating to financial work to the finance department of a higher-level trade union, without first consulting its own trade union.

The financial examination committee [of the trade-union federation or industrial trade-union committee] on the same level must be allowed to inspect the financial receipts, expenditures, cash account, reports on the budget, and financial statements of the finance departments. This committee must sign and affix its seal to the aforementioned documents before they are effective and official.

The finance departments of trade unions on all levels may, in accordance with the present rule, set up detailed regulations governing their own operations, but such regulations must first be approved by the higher-level trade union before they are binding.

Various rules, regulations, and systems, etc. will be separately enacted.

IV. REGULATIONS GOVERNING TRADE-UNION BUDGETARY OPERATIONS

The All-China Federation of Labor is the top budgetary unit for all trade unions. All national committees of industrial trade unions, the trade-union federations of the major administrative areas, and those on the level of the provinces and municipalities under the jurisdiction of the central government are the secondary budgetary units. Trade-union organizations below the level of the secondary units should establish appropriate budgetary units for their constituent unions.

The basic trade-union organization is the basic budgetary unit. However, any basic trade union whose membership is too small to make it practicable for it to draft a budget should furnish such budgetary information to the next higher-level trade union for this union to draft the budget or to incorporate such information and estimates into its own budget. When a higher-level trade-union organization receives budgetary information from a basic trade union, it should immediately call a meeting to decide what action should be taken. If the information is incorporated into the budget of the higher-level trade union, the budget is then sent through each level of the trade-union organization for auditing and revision until the budget finally reaches the top budgetary unit. After the top budgetary unit approves the budget, it is then sent from the higher level to the lower for approval.

The secondary-level budgetary units must submit budgets to the top-level budgetary unit 2 months before the beginning of the budget year.

When trade unions of each level compile their budgets, the chairman of each union must instruct each department head to submit detailed work plans, personnel tables, and supporting data to justify their budget requests. The departments should give estimated receipts as well as estimated expenditures to the finance department for examination and compilation. However, the chairman may call on the committee on personnel and the budget-drafting committee to draft the budget. After the standing committee of the union has examined and approved the budget, four copies of the budget and supporting documents are forwarded to the secondary budgetary unit. Secondary budgetary units must submit six copies of their budgets and supporting documents to the

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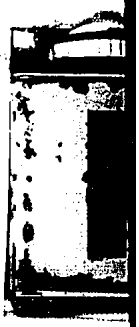

top budgetary unit for examination. Separate budgets should be prepared for the expenditure of cultural and educational funds and labor-insurance funds, and these budgets should be based on the programs for these activities.

After the budget has been approved and returned to the originating unit, the unit should, on the basis of its work plans, prepare a report showing how the annual appropriation will be allocated monthly, and submit the report to the trade-union organization on the next higher level for examination and approval.

All expenditures should adhere strictly to the budget. Special funds should be used for their designated purposes. Funds cannot be used for purposes other than those designated by the budget.

All surplus operating funds must be transferred to the higher-level trade-union organization so that funds may be concentrated in one place for disbursement. Basic trade-union organizations, however, are not so restricted.

If there are not sufficient funds available for use as a result of a trade union increasing its activities or changing its program, or because of unavoidable situations, the trade union may ask for an increase in its budget appropriation. If for any special reason the receipts of the trade union fall short of its quota, it may propose reducing its expenditures. In either case, such action must be approved by the higher-level trade-union organization which first approved the original budget.

Under an agreement with the People's Bank of China, the All-China Federation of Labor designates the former as its central fiscal depository. The central fiscal depository will designate various branches of the bank as regional (ch'u) fiscal depositories; these will establish branch (fen) fiscal depositories, which in turn will also establish subbranch (chih) fiscal depositories. All depositories below the level of the subbranch will be designated as fiscal depositories (chin-fu).

Deposit accounts with the central fiscal depository will be controlled by the All-China Federation of Labor. Accounts with the regional fiscal depository will be controlled by the regional trade unions of the national committees of the industrial trade unions, the regional trade unions on the administrative area level, and trade unions on the level of provinces and cities under the direct control of the Central People's Government. Accounts with the branch depositories will be controlled by the trade unions of those cities under the direct jurisdiction of the administrative area, and by the lower-level industrial trade unions under the direct jurisdiction of the national committees of the industrial trade unions. Accounts in the subbranch fiscal depositories and fiscal depositories will be controlled by all other lower-level trade unions.

[The regional, branch, subbranch, and fiscal depositories are branches of the People's Bank of China.]

When accounts are established with regional fiscal depositories, the regional trade union must present a letter of introduction from the All-China Federation of Labor authorizing the opening of the account. When an account is opened with the branch fiscal depository, the trade unions eligible to open these accounts must present letters of introduction from either the national committee of the industrial trade union or the regional-level trade union or the trade union of the provinces and cities directly under the jurisdiction of the Central People's Government.

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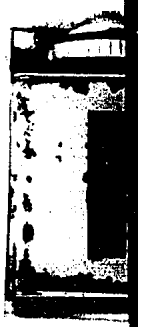

All levels of trade unions, when establishing accounts with fiscal depositories, must notify the All-China Federation of Labor of such action through organizational channels.

All levels of trade-union organizations must open separate accounts for their operating funds, cultural and educational funds, labor-insurance funds, etc. with their respective fiscal depositories, and must submit statements of these accounts to a higher-level trade-union organization for auditing when so required.

Fiscal depositories, subbranch depositories, branch depositories, regional depositories, and the central depository are each responsible for reporting to their immediate higher-level fiscal depository the status of receipts and payments of their trade-union accounts.

The central fiscal depository is authorized to requisition semi-annually the surplus funds [i.e., balances] of the operating fund accounts deposited by trade unions with the subbranch, branch, and regional depositories.

After the annual budget has been approved, the All-China Federation of Labor will direct the central fiscal agent to allocate and transfer the authorized budget appropriations to the respective budgetary units. After the budgets for all levels of trade-union organizations have been approved, trade-union organizations will notify the fiscal depository of their particular level to remit their budget appropriations.

Trade-union organizations on various levels holding funds received from a higher-level trade-union organization must deposit these funds to a special account designated as "funds from higher-level trade-union organization."

Central, regional, branch, and subbranch depositories must establish "in transit" accounts for funds which they are temporarily holding for eventual transfer to a higher- or lower-level fiscal depository. But the opening of such "in transit" accounts must first be approved by the All-China Federation of Labor, which shall in turn notify the central fiscal depository to authorize the depository concerned to open such accounts.

All levels of trade-union organizations cannot save and set aside more than 5-20 percent of their monthly budget appropriations for emergency use on Sundays and holidays.

Trade-union membership fee stamps shall be issued by the central fiscal depository as authorized by the All-China Federation of Labor.

This regulation has been approved by the Standing Committee of the All-China Federation of Labor, and all levels of trade-union organizations have been notified to comply therewith.

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